



April 5, 2005

Doug Friend, City Manager
City of Sikeston
105 East Center Street
Sikeston, Missouri 63801

Dear Mr. Friend,

Thank you for your letter dated March 15 regarding issues discussed at our meeting on March 10. Please let me update you on our filing with the Surface Transportation Board, provide additional information on several issues discussed during our meeting and summarized in your letter, and provide clarity to some of the issues.

The following points are numbered in accordance with your previous correspondence:

- 1) Union Pacific's application to the STB was officially filed as of March 14.
- 2) The STB's review of Union Pacific's application focused on both transportation and environmental impacts will now proceed.
- 3) Union Pacific is prepared to discuss the possibility of imposing a Quiet Zone designation in Sikeston. The Quiet Zone designation would require safety upgrades at several crossings. Union Pacific and the Missouri Department of Transportation have discussed a cost-sharing agreement for these crossing improvements. However, we expect it will take two to five years for M&DOT to finance their share of improvements meaning that not every crossing identified for improvement will be upgraded by the time traffic increases next year. The City of Sikeston would not be expected to contribute to the cost of crossing improvements necessary to establish a Quiet Zone.
- 4) A separate letter will be sent to Mr. Ed Throop concerning Union Pacific's commitment to ensure timely coal deliveries to the power plant to the extent that our operations impact those deliveries.

- 5) Union Pacific is prepared to cancel leases on our line running east through Sikeston. We are awaiting a list of leases the City of Sikeston wants the railroad to cancel.
- 6) Will Somervell with Union Pacific's operations department will contact you soon, if he has not already, to set up a meeting to work out the details of the proposed two month detour through the power plant this summer.
- 7) Union Pacific will send a letter to the City of Sikeston confirming our intention to pay for the movement of the lift station from its current location. We will also send you a letter confirming our intention to obtain from the city the land designated as Lot #19 in block #18 of McCoy and Tanner's Third Addition to the City of Sikeston.
- 8) Per your request, I will contact you soon to schedule a meeting between Union Pacific and city staff / officials to discuss public safety issues.
- 9) Union Pacific anticipates the Surface Transportation Board review to be complete approximately one year from the filing of the application. The review will include two decisions – one relative to transportation aspects which can reasonably be expected by July or August; the other, relative to environmental aspects, such as increased train traffic and noise, is expected to take about a year.

I hope this letter addresses the issues raised in your letter and adds clarity where needed. If you have questions or concerns regarding this letter, please feel free to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'Chris Peterson', with a long horizontal flourish extending to the right.

Chris Peterson
Director Government Affairs

Cc: Mike Payette, AVP, Union Pacific Railroad
Ken Blodgett, EPS, Surface Transportation Board